40th Anniversary



1971-2011

New York, Pennsylvania, Maryland, United States

Natural Gas Industry Effects on Water Consumption and Management

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Susquehanna River Basin

The Basin:

- 27,510-square-mile watershed
- Comprises 43 percent of the Chesapeake Bay watershed
- 4.2 million population
- 60 percent forested
- 32,000+ miles of waterways



The Susquehanna River:

- 444 miles, largest tributary to the Chesapeake Bay
- Supplies 18 million gallons a minute to the Bay

What Does SRBC Regulate?

- Surface Water Withdrawals (100,000 gpd)
- Groundwater Withdrawals (100,000 gpd)
- Consumptive Use (20,000 gpd)
- For Natural Gas Industry (From Gallon One)

Energy in the Basin?

It's Not All About Marcellus Shale!

2008 Electric Generation Capacity within the Basin

Approximately 58 Active Power Plants

Energy Source	MW	Energy Source	MW
Nuclear	5,876	Mun. Solid Waste	96
Coal	4,779	Wind	85
Natural Gas	1,900	Landfill Gas	50
Hydro	1,878	Black Liquor	39
Petroleum	401	Wood	31

Est. Total Capacity

15,134 MW

Reference: U.S. Energy Information Administration 2008

Estimated Consumptive Water Use by Energy Source within the Basin

Energy	Sources
LIICIGY	<u> </u>

Gal/Day per MW

Municipal Solid Waste	2
Wood	2
Coal	1
Nuclear	1
Landfill Gas	1
Natural Gas	ϵ
Ethanol	3-5 gal

29,000

23,000

19,000

18,000

13,000

6,000

3-5 gal H₂O per gal Ethanol

References: SRBC 2010; U.S. Energy Information Administration 2008

NOTICE:

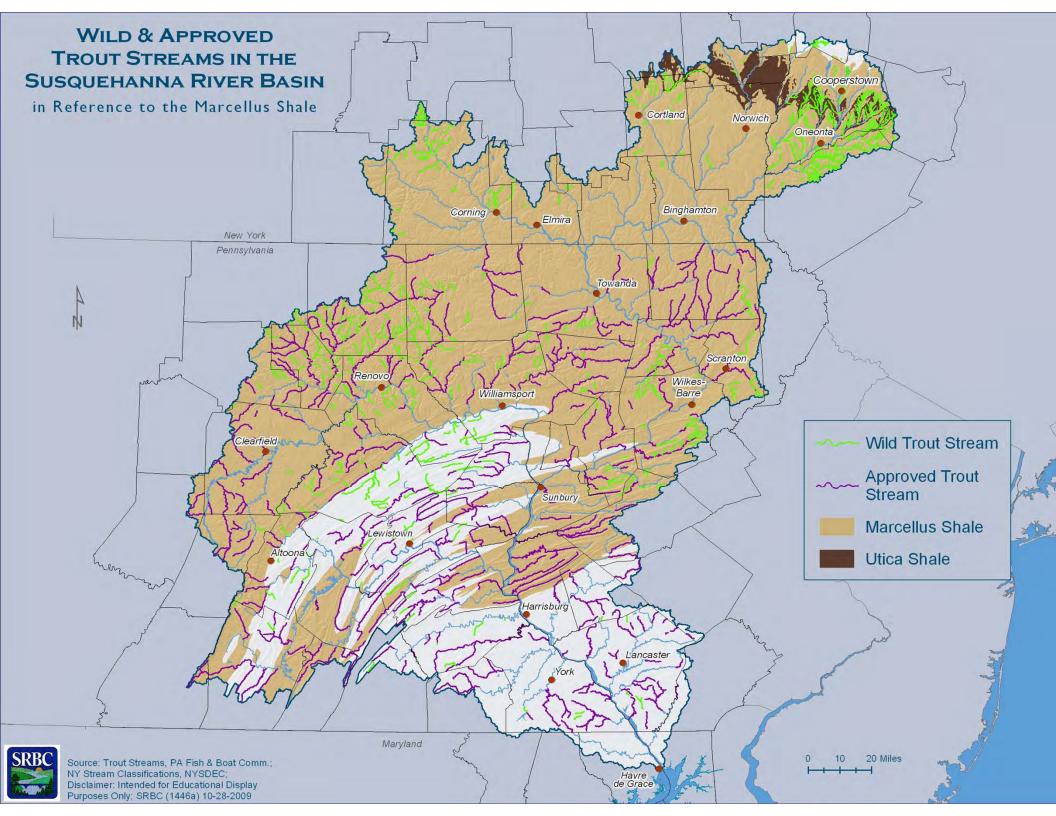
Following Comments Pertain Only to Marcellus Shale!

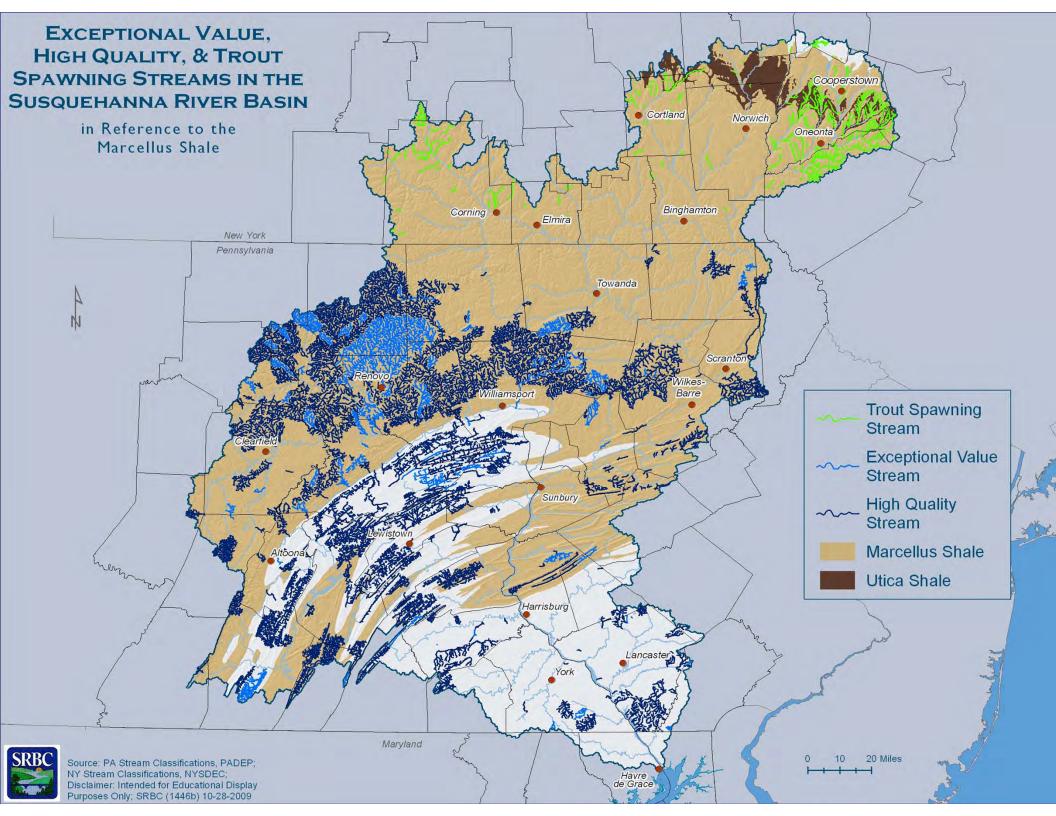
Gas Development in Other Shale Formations Likely to Follow!

Geographic
Location
of Marcellus
Shale within
Susq. River Basin

72% of Basin (20,000 Sq. Miles) Underlain by Marcellus Shale







Distribution of PA Exceptional Value (EV) and High Quality (HQ) Headwater Streams (Based on Stream Miles)

- Appalachian Plateau; EV 78%, HQ 57%
- Valley and Ridge; EV 21%, HQ 38%
- Blue Ridge; EV 0%, HQ 2%,
- Piedmont; EV 1%, HQ 3%.

Where Does Gas Industry Get Their Water?

- Surface Water Withdrawals (65%)
- Public Water Systems (35%)
- Groundwater Withdrawals (>0%)

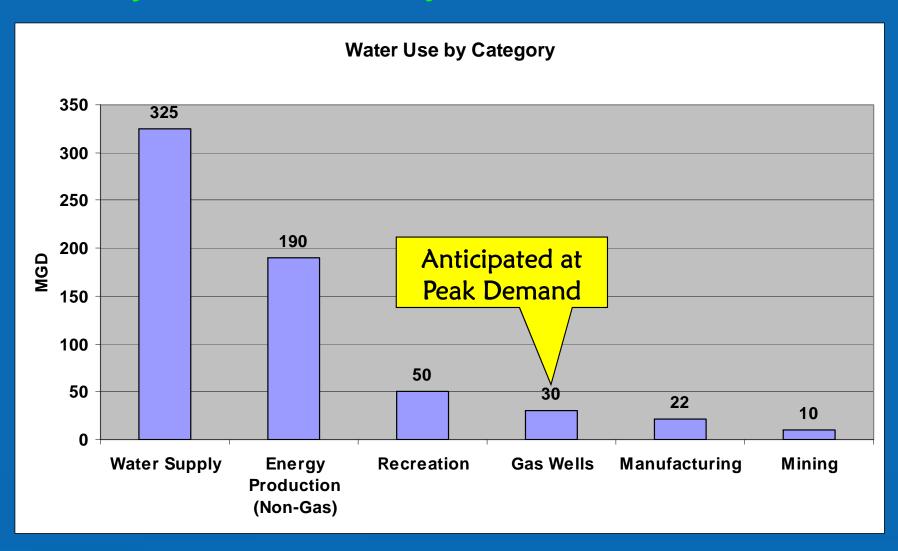
Actual Water Use Marcellus Gas Wells

- Total Water Consumed (7/1/08 2/14/11): 1,605 mgal
 - Approximately 1,800 gas wells drilled to date w/i basin
 - Approximately 553 wells hydro-fractured to date w/i basin
 - 555 mgal from public water supply (35%)
 - 1,050 mgal from surface water sites (65%)
- Average Total Vol. of Fluid Used per Well: 4.2 mgal
 - Average fresh water used per well: 3.8 mgal
 - Average flowback reuse per well: 0.4 mgal
- Average Recovery of Fluids: 8-12% (First 30-days)

SRBC Natural Gas Approvals As of December 31, 2010

- Surface Water Withdrawals 141
- Groundwater Withdrawals 1
- Public Water Supply Systems 27
- Wastewater Effluent/AMD 2
- Approvals by Rule (Well Pads) 1,318
- PADEP Well Approvals ~ 1,800

Maximum Daily Consumptive Use Anticipated in Susquehanna River Basin

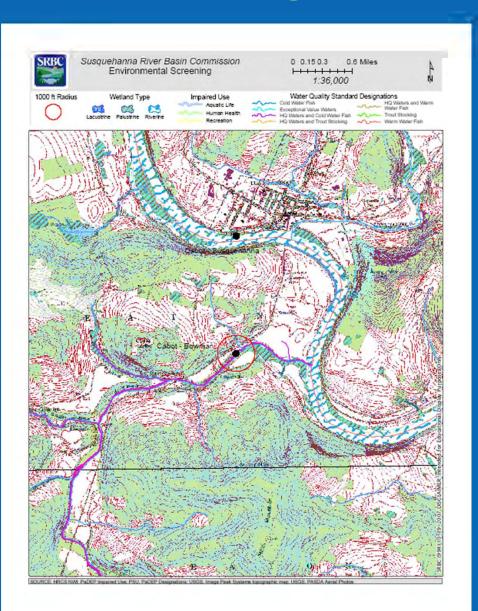


Surface Water Withdrawals

- Application Data Requirements
- Environmental Review
- Safe Yield Calculation
- Cumulative Impact Analysis Upstream Uses
- Cumulative Impact Analysis Downstream Uses
- Passby Flow Determination
- Regulatory Applications
- Planning Applications

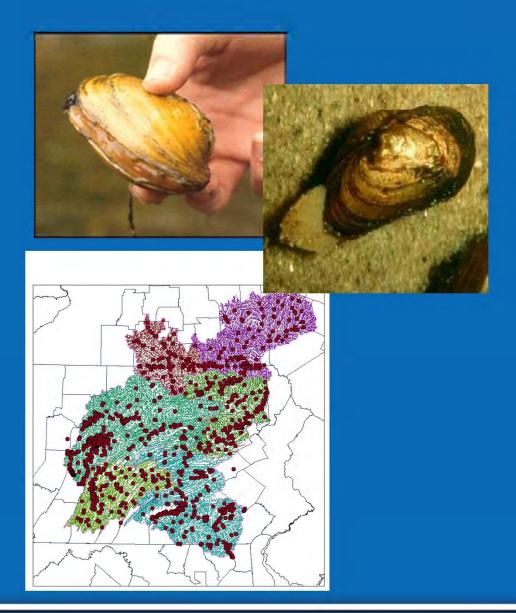
Environmental Screenings

- Stream Classifications
 - Special Protection
 - Wild Trout Fishery
- 303(d) List or PWL Status
 - Type of Impairment
 - TMDL Development



Environmental Screenings (Cont.)

- Adjacent Wetlands
- Wild/Scenic Rivers
- Natural Diversity Inventory Search
 - PFBC
 - PADCNR
 - USFWS
- Any Additional Water Quality Issues
 - Aquatic Nuisance Species



Aquatic Resource Surveys

- When no data available
- When information obsolete
- For special protection streams

- For background data
- To correct protection level
- When passby needed



Passby Flow Determination

If Cumulative Water Demand is:

- $</= 10\% Q_{7-10}$ (de minimis Standard), Passby Flow Not Required
- > 10% of Q_{7-10} , Passby Flow Required
 - Determine Passby Flow Condition (SRBC Policy No. 2003-01)
 - Or, Reduce Proposed Withdrawal Rate to </= 10% Q₇₋₁₀

Passby Flow

Think "Interruptible" Withdrawals

What is Q₇₋₁₀?

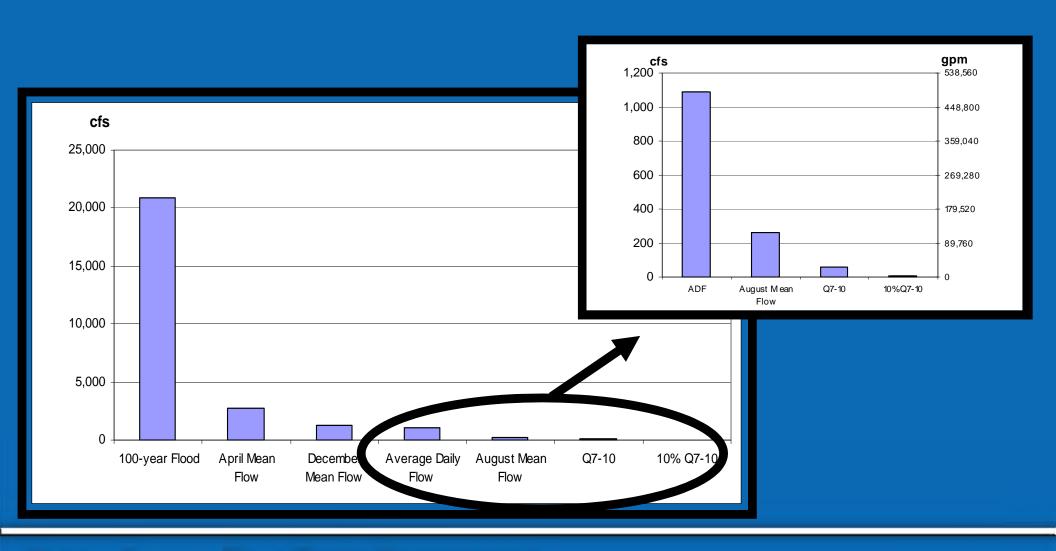
It's a "Drought flow" Condition

Lowest average flow experienced during a consecutive 7-day period that is estimated to recur on average once every 10 years

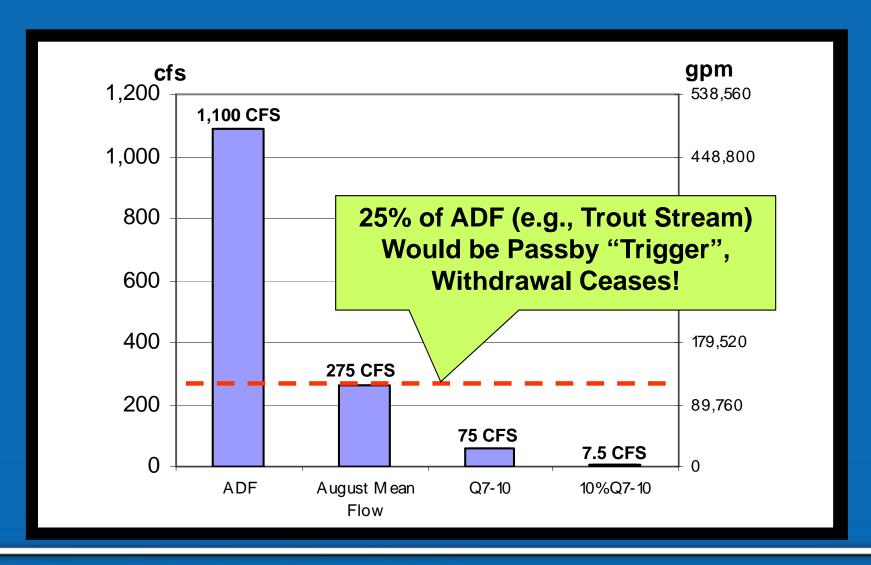
What is ADF?

Average Daily Flow

Example of Low Flow Statistics for Rivers and Streams



Example of Low Flow Statistics for Rivers and Streams



Summary of SRBC "Conclusions"

- Science-based decision making,
- Cumulative impacts critical,
- Timing and location of withdrawals important,
- Passbys are used to minimize impacts during low flow periods,
- The move from exploration to production may necessitate yet more regulatory changes,
- Gas industry water use can be accommodated.

Drilling Process Timeline



Stake & Survey Location Drilling Preparation Drilling / Surface Casing / Cementing Drilling / Production Casing / Cementing

Perforating / Fracing Pipeline & Production

Up to 4 months

Up to 2 months

Up to 2 Weeks

Up to 2 Weeks

Up to 2 Weeks

Up to 2 Weeks

Susquehanna River Basin Commission | July 2010

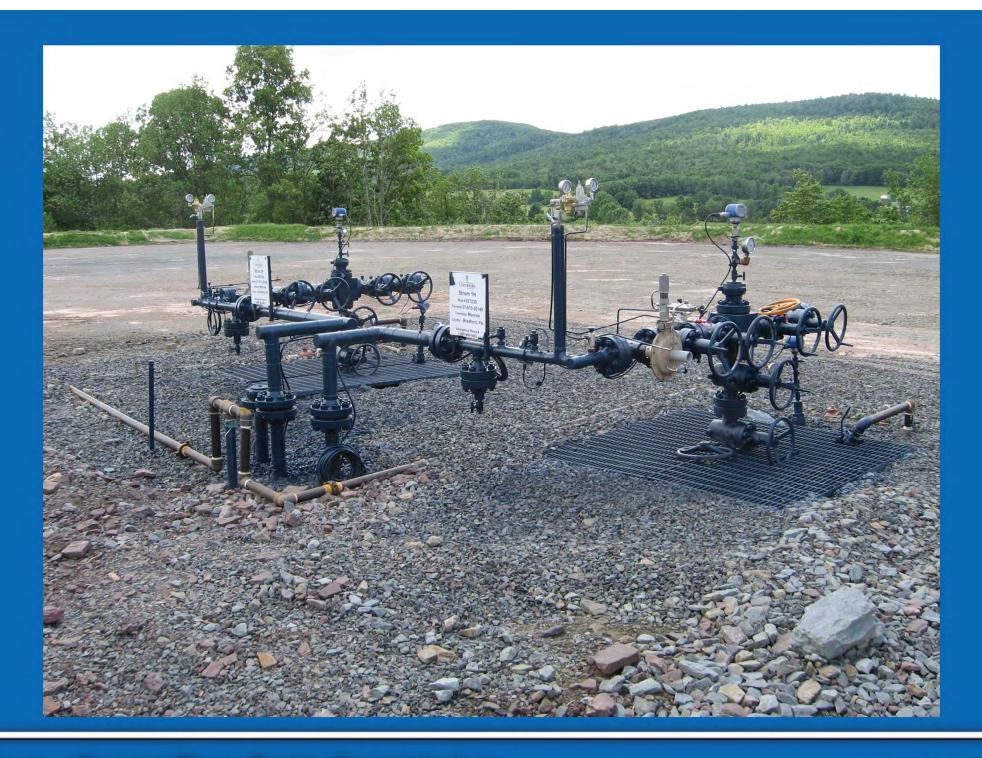




Typical Site Layout



















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